

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	<b>UNDER SEAL</b>
v.	)	
	)	Crim. No. 17-201-01 (ABJ)
PAUL J. MANAFORT, JR.,	)	
	)	
Defendant.	)	

DEFENDANT PAUL J. MANAFORT, JR.'S SECOND  
SUPPLEMENTAL MEMORANDUM TO MOTION FOR  
RECONSIDERATION OF CONDITIONS OF RELEASE

Paul J. Manafort, Jr., by and through counsel, hereby moves the Court to reconsider his conditions of release as set forth in the December 15, 2017 Order ("Order"). Pursuant to the Court's request, this second supplemental memorandum regarding the reconsideration of conditions of release addresses the specific issues identified below. *See* Minute Order dated February 14, 2018.

I. Collateralization of the Bridgehampton Mortgage

The business attorney who handled the mortgage refinancing transaction relating to the Bridgehampton, NY property was contacted upon the conclusion of the hearing held on February 14, 2018 and asked to provide an analysis of the mortgage loan documents and the parties' understanding at the time, of which he had first-hand knowledge. Specific attention to the additional collateral provided by the Alexandria property was requested. The attorney's letter, with exhibits, is attached to this submission. (*See* Attachment A.)

Although the document speaks for itself, in general, the business attorney confirms the following: the primary collateral for the Bridgehampton loan refinancing

was the real property itself, valued at [REDACTED], and the substantial deposit account of [REDACTED] established with the lending institution to be used by the bank in the event of a default on the mortgage. Importantly, the lawyer notes that “[t]he property at [REDACTED] [REDACTED], is merely additional collateral with no expectation that its foreclosure would be necessary in the event of a default. These facts were discussed between myself and representatives of FSB well before the closing of the loan, and the loan documents were prepared accordingly.” (*See* Attachment A).

Next, the defendant wishes to advise that upon further investigation and inquiry with Mr. Manafort’s business attorney, the [REDACTED] on deposit with the lender was tied to the Union Street property in New York, not the Bridgehampton property. Regardless of the defendant’s intent to use these deposited funds – upon the satisfaction of certain requisite conditions – for the payment of Bridgehampton loan expenses, there is no contractual or legal obligation to do so in a hypothetical default scenario. Nevertheless, as the letter states, the appraised value of the Bridgehampton property plus the deposit account noted above totals [REDACTED] and would be more than sufficient to satisfy the [REDACTED] loan to Summerbreeze, LLC. *Id.*

## II. Fifth Avenue Property

The mortgage payments on the Fifth Avenue property were submitted on February 2 and February 8 of this month; the documentation that establishes the submission of these payments to the lending bank is attached. (*See* Attachment B.) Presumably, these electronic payments simply had not cleared the bank at the time the

Office of Special Counsel made its representation.<sup>1</sup> It is also important to note that the defendant changed his bill-paying firms recently and the delayed payments were the result of administrative oversight. The risk of foreclosure on this property that was posited was based on incomplete information.

Dated: February 16, 2018

Respectfully submitted,

/s/

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<sup>1</sup> If necessary, additional documentation can be secured once the payments are cleared.